LEGISLATIVE SESSION

Mr. THUNE. Mr. President, I move to proceed to legislative session.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. THUNE. Mr. President, I move to proceed to executive session to consider Calendar No. 145.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

The PRESIDING OFFICER. The clerk will report the nomination.

The assistant bill clerk read the nomination of Gary Andres, of Virginia, to be an Assistant Secretary of Health and Human Services.

The PRESIDING OFFICER. The Senator from South Carolina.

WAIVING QUORUM CALL

Mr. GRAHAM. I ask unanimous consent to waive the mandatory quorum call with respect to the Andres nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The assistant bill clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the nomination of Executive Calendar No. 145, Gary Andres, of Virginia, to be an Assistant Secretary of Health and Human Services.

John Thune, Eric Schmitt, Bernie Moreno, John Boozman, Jim Justice, Dan Sullivan, Pete Ricketts, Mike Rounds, Chuck Grassley, Jon A. Husted, Ted Cruz, Rick Scott of Florida, John Hoeven, Mike Crapo, Ashley B. Moody, Marsha Blackburn, Katie Boyd Britt.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination of Gary Andres, of Virginia, to be an Assistant Secretary of Health and Human Services, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. BARRASSO. The following Senators are necessarily absent: the Senator from Alabama (Mrs. BRITT), the Senator from North Carolina (Mr. BUDD), the Senator from Nebraska (Mrs. FISCHER), the Senator from West Virginia (Mr. JUSTICE), the Senator from Louisiana (Mr. KENNEDY), the Senator from Kansas (Mr. MORAN), the Senator from Alaska (Ms. MURKOWSKI), the Senator from Kentucky (Mr. PAUL), the Senator from Idaho (Mr. RISCH), the Senator from Alaska (Mr. SULLIVAN), and the Senator from Mississippi (Mr. WICKER).

Further, if present and voting: the Senator from North Carolina (Mr. BUDD) would have voted ‘‘yea.’’

Mr. DURBIN. I announce that the Senator from Connecticut (Mr. BLUMENTHAL), the Senator from Nevada (Ms. CORTEZ MASTO), the Senator from Illinois (Ms. DUCKWORTH), the Senator from Arizona (Mr. KELLY), the Senator from Washington (Mrs. MURRAY), the Senator from Georgia (Mr. OSSOFF), the Senator from Michigan (Mr. PETERS), the Senator from Nevada (Ms. ROSEN), the Senator from California (Mr. SCHIFF), the Senator from New Hampshire (Mrs. SHAHEEN), the Senator from Georgia (Mr. WARNOCK), and the Senator from Vermont (Mr. WELCH) are necessarily absent.

The yeas and nays resulted—yeas 44, nays 33, as follows:

[Rollcall Vote No. 313 Ex.]

YEAS—44

Banks	Graham	Moody
Barrasso	Grassley	Moreno
Blackburn	Hagerty	Mullin
Boozman	Hassan	Ricketts
Capito	Hawley	Rounds
Cassidy	Hoeven	Schmitt
Collins	Husted	Scott (FL)
Cornyn	Hyde-Smith	Scott (SC)
Cotton	Johnson	Sheehy
Cramer	Lankford	Thune
Crapo	Lee	Tillis
Cruz	Lummis	Tuberville
Curtis	Marshall	Whitehouse
Daines	McConnell	Young
Ernst	McCormick	

NAYS—33

Alsobrooks	Heinrich	Padilla
Baldwin	Hickenlooper	Reed
Bennet	Hirono	Sanders
Blunt Rochester	Kaine	Schatz
Booker	Kim	Schumer
Cantwell	King	Slotkin
Coons	Klobuchar	Smith
Durbin	Luján	Van Hollen
Fetterman	Markey	Warner
Gallego	Merkley	Warren
Gillibrand	Murphy	Wyden

NOT VOTING—23

Blumenthal	Kennedy	Rosen
Britt	Moran	Schiff
Budd	Murkowski	Shaheen
Cortez Masto	Murray	Sullivan
Duckworth	Ossoff	Warnock
Fischer	Paul	Welch
Justice	Peters	Wicker
Kelly	Risch	

(Mrs. HYDE-SMITH assumed the Chair.)

(Mr. MORENO assumed the Chair.)

The PRESIDING OFFICER (Mr. RICKETTS). On this vote, the yeas are 44, the nays are 33. The motion is agreed to.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Rhode Island.

GENIUS ACT

Mr. REED. Mr. President, I rise today to discuss S. 1582, the GENIUS Act.

I believe that this legislation as it is currently drafted is fundamentally flawed. It exposes taxpayers, consumers, and the financial system to unacceptable risk, and it creates venues for criminals, terrorists, and rogue governments to finance their illicit activities. Despite these dangerous flaws, we will not have the opportunity to offer one, single substantive amendment, and with a bill of this nature, the legislative process should require a very significant amendment process.

This legislation before us places the government's stamp of approval on so-called stablecoins, which are crypto dollars that could be minted by anyone—Amazon, Walmart, Facebook, X, the Trump family, and even foreign companies. It gives stablecoin issuers an enormous privilege: a U.S. Government license to effectively create dollars without demanding very much of anything in return.

Here is how the business works. You give a stablecoin company a dollar. The company gives you back an IOU that is recorded on a blockchain. The stablecoin company takes your dollar and invests it in various assets that generate interest and yield. The company keeps that interest and yield, but it is supposed to give you back your dollar whenever you ask for it. You can also take the IOU, which you receive for your dollar, and transfer it to other people, and you can use it to buy other things, mostly other crypto.

If this sounds similar to a bank, that is because it is. Banks allow customers to send and receive money. Stablecoins allow customers to do the same thing—just outside the banking system and purportedly in a faster and cheaper way. Now, competition can force banks to do a better job, and it should be more convenient for consumers to transfer funds. However, I believe that competition should come from the merits of the product and the underlying technology, not from regulatory arbitrage as provided in the GENIUS Act.

The light-touch regulatory regime in this bill is premised on two faulty assumptions. First, it assumes customer funds are safe because they are fully reserved with one-to-one backing of all customer liabilities. Second, it assumes that stablecoin issuers are inherently risk-free because they engage in only one activity: issuing stablecoins. But experience tells us that these kinds of assumptions are flawed.

During the 2008 financial crisis, we saw institutions with very similar if not these exact characteristics fail and get billions in taxpayer bailouts. We were assured that money market funds were low risk because they were fully reserved with shares pegged to a dollar. We were assured that derivatives were innovative tools that didn't need heavyhanded regulation. We were assured that Fannie and Freddie were safe because they engaged in one simple business. However, taxpayers needed to backstop $2 trillion in money market fund liabilities. The government gave AIG—an insurance company involved with derivatives—a $200 billion bailout, and taxpayers still stand behind $8 trillion in Fannie and Freddie liabilities.

Now, I do not believe it is appropriate to apply the full spectrum of banking regulations to stablecoins, but many more elements of the banking laws and the money transmission laws must be imported into this bill in order to make it work. There are dozens of sensible and basic rules that apply to similar firms that handle people's money. The GENIUS bill says that stablecoin companies no longer need to comply with many of these consumer protection laws. Instead, they can comply with a Federal framework containing very few of them.

Now let me highlight a few specifics that I think the public should be aware of.

First, stablecoin companies could operate with near-zero capital. The bill says that capital requirements "shall not exceed what is sufficient to maintain the ongoing operations of the issuer." This establishes a ceiling, not a floor, not a minimum level of capital that regulators would deem appropriate given the business activities.

This repeats the mistakes of the 1990s and the 2000s, when nonbank financial institutions like Lehman Brothers operated with barely 3 percent capital ratios. When the firm got into trouble, there was no cushion to bear losses, and customers and taxpayers had to step in.

Strong capital is critical. Indeed, in March 2023, when Silicon Valley Bank failed, taxpayers bailed out the uninsured deposits of a stablecoin company to the tune of $3.3 billion.

Second, the audit requirement is calibrated so narrowly that it does not cover a single existing stablecoin company—not one. Independent audits make it harder for companies to cook the books or dip into customer funds. I can't imagine why we wouldn't require these types of audits for stablecoin companies holding vast amounts of cash and securities.

Third, there are no merger or change-in-control rules. These rules, if in place, could prohibit felons convicted of financial crimes and fraud from acquiring a stablecoin issuer. Now, if this bill passes, they can go ahead and acquire it.

Fourth, the enforcement provisions are dangerously weak. The government will need to wait until wrongdoing has already occurred before it can act. It would be powerless to intervene early to prevent people from getting harmed in the first place, and even then, there is no power for regulators to revoke a company's charter. If one of these companies brazenly mishandles customer funds, the regulators will not have adequate tools to stop them.

Fifth, when a stablecoin company fails, it must go through ordinary bankruptcy, and that, I believe, is a mistake. We have seen other crypto firms, like FTX and Celsius, go bankrupt recently. Customers have waited for many, many months and in some cases years to get their money back. Instead, we should set up a bank-like resolution regime, guaranteeing that customers immediately get their money back up to a limit, and the industry should pay for that insurance to satisfy those customers who have been denied their funds.

Sixth, regulators have no express authority to issue new rules to address emerging threats as they arise. Without the ability to issue updated rules, the GENIUS Act will become outdated very quickly. Given the speed of financial innovation, these regulations could be out of date—maybe within a year or less.

Together, these flaws make the GENIUS bill worse than the status quo, and that brings me to what I consider one of the biggest problems in the legislation: the effect on national security.

GENIUS allows foreign-based stablecoin companies to operate freely in the United States. Today, the world's largest stablecoin—in other words, the world's largest cryptodollar—is issued not in the United States but in El Salvador. This stablecoin is called Tether, and it is the biggest beneficiary of this bill.

Let me tell you a bit about Tether. Tether was fined by U.S. regulators in 2021 for misleading customers into thinking that their funds were fully backed. Despite this misconduct, Tether has never undergone an audit, and this bill would not require one.

Tether is used by North Korea. According to FBI indictments in 2023, North Korean IT workers have "obtained illegal employment in the tech and crypto industry and then asked to be paid in stablecoins like Tether. . . . After receiving payment, they funneled their earnings back to North Korea."

According to government reports, North Korea has used at least $5 billion of stolen crypto to fund its weapons of mass destruction programs. This comprises between 40 percent and 50 percent of its budget for these programs.

Tether is also used by terrorists. According to the Treasury Department's 2024 National Terrorist Financing Risk Assessment, "ISIS and other terrorist groups have moved towards using stablecoins, including Tether, to move or store funds."

In October 2023, the Senator from Wyoming asked then-Attorney General Garland to open a criminal investigation into Tether because it has "facilitated significant illicit finance activity . . . including significant terrorism financing for Hamas' malevolent attack on Israel."

Tether is used by Russian arms dealers. According to testimony before the Banking Committee by the Deputy Treasury Secretary in 2024, "[W]e've seen Russia increasingly turning to alternative payment mechanisms—including the stablecoin Tether—to try to circumvent our sanctions and continue to finance its war machine" in Ukraine.

Tether is also used for human trafficking, scams, and fraud. According to a report published by the United Nations in 2024, Tether "has become a preferred choice for [Southeast Asian] cyber-fraud operations and money launderers alike due to its stability and the ease, anonymity, and low fees of its transactions." During a single year, from the middle of 2022 through the middle of 2023, a blockchain analysis company uncovered "$17 billion of Tether transactions connected to . . . various criminal activities," including human trafficking and romance scams.

And the list goes on. Iranian diplomats, Venezuelan oil companies, drug traffickers, ransomware attackers—all are drawn to Tether.

Under the GENIUS bill, Tether could be offered and sold in the United States without being required to meet any U.S. anti-money laundering or sanctions compliance requirements. Tether would just need to demonstrate the ability to freeze its coins if they fall into the wrong hands—a technological capability that Tether already has and that it has apparently refused to use because it still tolerates illicit activity.

Tether would not be subject to full-blown licensure and supervision. Tether would instead need to meet home-country requirements in El Salvador that are "comparable" to U.S. requirements, but this term is ill-defined and may be materially weaker than the standards in the United States. In fact, I would suggest those standards are highly subjective given the arrangements we have seen in El Salvador with its President and its legal system. These weak restrictions would not even kick in for 3 years after enactment. That means business as usual for Tether. It means more WMD proliferation, more Iranian oil sales, more Russian arms deals, more tax evasion, more black-market drug sales, and more human trafficking.

Further, if Tether chooses not to meet these bare requirements, then it could not be offered or sold on centralized trading venues in the United States.

But there is a huge exception allowing Tether to offer its stablecoin in the United States through decentralized trading ventures, also known as DeFi. DeFi platforms are exactly where North Korea trades crypto and where the bulk of illicit activity occurs.

According to the Treasury Department, North Korea laundered at least $455 million in stolen crypto on just one DeFi platform called Tornado Cash as of 2022. Last year, North Korea laundered at least $147 million through the same platform.

If these trades occurred with real dollars in real banks, the government would have tools to stop them. But because these trades occur using foreign-issued cryptodollars outside the banking system, the government lacks these tools, and the GENIUS Act would not give them those tools.

As we place in effect the U.S. Government stamp of approval on Tether, I think it is entirely sensible to be providing Treasury with new authorities to address how Tether is used for illegal purposes around the world.

We should also be looking at the stronger approach taken in Europe, where Tether may not be offered or sold—full stop—unless it is fully licensed and meets all EU laws.

If someone is in the business of creating dollars in any form, they should be subject to full U.S. jurisdiction. If someone creates a platform that is used by North Korea to launder stolen dollar alternatives, they should be within the reach of U.S. sanctions laws. I hope Republicans and Democrats can at least agree on that. But this bill does not respect these commonsense principles.

Last Congress, the Department of Treasury sent up a legislative package with new authorities to crack down on Tether. The Deputy Secretary testified before the Banking Committee about that package. I worked across the aisle with Senators Warner, Brown, and Romney on legislation to implement some of these provisions. Unfortunately, we could not get it enacted.

The bill before us contains none of these provisions. I have filed an amendment to provide these tools to Treasury; but, regrettably, as I have indicated before, we will not have an opportunity be to vote on any amendments.

There is another aspect of this bill normalizing the operation of Tether. It turns out that Trump's Commerce Secretary Howard Lutnick has millions of dollars in financial interests tied to Tether. The investment bank Cantor Fitzgerald that Mr. Lutnick ran and owned manages Tether's reserves and generates millions of dollars in fees. Cantor has provided Tether with working capital through a hybrid debt-equity investment. It has been reported that Cantor owns 5 percent of Tether—a stake worth millions of dollars. Cantor and Tether have just announced a new Bitcoin fund for retail investors.

Mr. Lutnick—the Secretary of Commerce and someone who I think has had some influence on how this bill has turned out and how it will be implemented—says he is divested from Cantor. But what he has really done is turned ownership and control over to his adult children who are in their twenties. Now, I invite the American people to judge for themselves whether Mr. Lutnick no longer has any financial exposure or business ties with Tether.

Just a few month ago, the Trump family began issuing a stablecoin called USD1. This token has already been used by a foreign government to funnel money to Trump. Let me say that again: A foreign government has funneled money to the President of the United States. It turns out an Abu Dhabi sovereign wealth fund made a $2 billion investment in a crypto company called Binance. But instead of using real dollars, they used USD1, the Trump cryptocurrency. That raises, I think, serious questions about a President of the United States receiving significant money from a foreign government.

Rather than doing something about the President's obvious conflicts, the bill expressly affirms that he is able to call his stablecoin USD1. There is actually a provision green-lighting this name. We have given, legislatively, the President the use of this stablecoin name for his financial benefit.

And the bill empowers the President's handpicked regulators to write the rules that will govern the stablecoin business. By authorizing money creation by shadowy offshore firms associated with the President of the United States and the Secretary of Commerce, this bill undermines our economy's most valuable asset—and that is the U.S. dollar. The effect may not be immediate, but I think it will happen eventually.

The dollar is the world's reserve currency because the United States is considered a stable, predictable, and open society with a strong rule of law that countries and businesses want to trade and partner with.

When the United States becomes less stable, less predictable, and less open, when politically connected people get special treatment, when Congress normalizes financial self-aggrandizement by the President, all of that makes the dollar less attractive and makes this country look like it is ruled by a despot.

However, proponents claim this bill strengthens the dollar by stimulating demand for Treasury securities. But that cannot be justified at this point by the data. The entire stablecoin market is only 0.01 percent of the Treasury market. And according to an investor letter from the Elliott hedge fund—now, that firm is run by a major Republican donor, so I don't think this is a partisan description—the dollar enjoys an ''immense advantage'' as the world's reserve currency. But they point out that if the U.S. Government encourages adoption of crypto alternatives, that will ''marginalize the dollar'' and be ''profoundly dangerous.''

Even if legislation would modestly strengthen the dollar, it could not offset the erosion of the dollar that the administration is engineering through actions like sky-high tariffs and a trade embargo with China. And it could accelerate the erosion of the dollar if one day stablecoins become ''legal tender'' that could be used to pay taxes. And it wouldn't surprise me if one day the President sat at his desk and wrote a Presidential order that crypto can be used to pay taxes.

I offered an amendment in the Banking Committee, which would prohibit this by declaring that the legal tender of the United States was the dollar, and the amendment was defeated.

We need to apply real guardrails that will protect consumers and provide real tools for our national security Agencies to address this new technology—real guardrails and real tools, not words on a page that give the false appearance of protection when things go wrong.

I would urge my colleagues to oppose this fundamentally flawed bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

TRUMP ADMINISTRATION

Mr. BANKS. Mr. President, 10 years feels like a lifetime ago. In May of 2015, I had just returned from serving a tour in Afghanistan and had just started my campaign—my very first campaign—for Congress. But not even a few weeks later, on this day, June 16—10 years ago today—Donald Trump came down that golden escalator in Trump Tower in New York City and changed American politics forever. He took the Republican Party and the country by storm, and our country is better off for it.

No one in the history of this country has dominated American politics for an entire decade like Donald Trump has, and it has been a wild ride. The Republican Party is better off because of that. Our country is better off today because of that too.

Remember, when President Trump came down that golden escalator, we were in the political wilderness. Republicans hadn't won a national election in 12 years, and Republican experts, you might recall, gathered in 2013 to do an autopsy report.

And what did they say? They said the best way to win a national election was to embrace amnesty. Boy, were they wrong.

It may seem like a lifetime ago, but it wasn't too long ago when Republicans and Democrats in this Chamber were working together to pass so-called comprehensive immigration reform, or also known as amnesty—remember the Gang of 8.

But President Trump shifted us away from that ideology and that mindset. He changed the Republican Party from one that wanted to pass amnesty to one that would fight to save jobs from illegal labor.

Donald Trump was the first Republican in my lifetime to say that immigration should put the interests of the American workers first and foremost. It is one of the reasons that he was so different from other Republicans back in 2015 and 2016, when he came down that escalator talking about putting American workers first.

It turns out that all working-class voters—whether they were Black or White, Latino or Asian—all they wanted was a shot at the American dream for themselves and their kids, just like every other generation of Americans had before them.

And, today, the new Republican Party is that multiracial, working-class coalition, thanks to Donald